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GOVERNMENT SURVEILLANCE

Government Surveillance

LEARNING OBJECTIVES

- What is Contract Surveillance
- Why do Surveillance
- Framework for Surveillance
- Developing a QASP/Surveillance Checklist
- Basic principles of conducting Contract Surveillance
- Documenting and Reporting your findings
- Completing a Non-Conformance Report

Definitions

- Quality Assurance: Planned or systemic actions necessary to provide adequate confidence that a product or service will satisfy given requirements for quality.

- Quality Control: A Contractor's internal system for monitoring and improving his own operations.

- Contract Surveillance: A planned, documented, and systemic approach to monitor contract performance.

- Contract Performance: Compliance with contract requirements – Process outputs – Contract deliverables

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Why We Do Surveillance

- To assure customer/soldier support
- Verify we are getting what we pay for
- Support the Award Fee process
- Mandated by FAR Part 46
  FAR Part 52

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FAR Part 46.102 Policy

says that - - Agencies shall ensure:

(a) Contracts include inspection and other quality requirements, ...

(b) Supplies or services tendered by contractors meet contract requirements;

(c) Government contract quality assurance is conducted ... ... by or under the direction of Government personnel;

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FAR 46.105 Contractor responsibilities

The contractor is responsible under the contract for:

- Controlling the quality of supplies or services;
- Tendering to the Government supplies or services that conform to contract requirements;
- Ensuring the quality of their vendors or suppliers;
- Maintaining evidence that the supplies or services conform to contract quality requirements, and
- Furnishing such information to the Government.

FAR Part 46.401

Subpart 46.4- Government Contract Quality Assurance

46.401 General.

says that - - Government contract quality assurance shall be performed at such times and places as may be necessary to determine that the supplies or services conform to contract requirements.
(at any stage of performance including subcontractor operations)

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FAR Part 52.246

52.246 -1 -- Contractor Inspection Requirements.

52.246 -2 -- Inspection of Supplies -- Fixed-Price.

52.246 -3 -- Inspection of Supplies -- Cost-Reimbursement.

52.246 -4 -- Inspection of Services -- Fixed-Price.

52.246 -5 -- Inspection of Services -- Cost-Reimbursement.

52.246 -6 -- Inspection -- Time-and-Material and Labor-Hour.

52.246 -11 -- Higher-Level Contract Quality Requirement.

52.246 -12 -- Inspection of Construction.

52.246 -14 -- Inspection of Transportation.

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FAR Part 52.246

52.246 -1 -- Contractor Inspection Requirements.

The Contractor is responsible for performing or having performed all inspections and tests necessary to substantiate that the supplies or services furnished under this contract conform to contract requirements, including any applicable technical requirements for specified manufacturers' parts. This clause takes precedence over any Government inspection and testing required in the contract's specifications, except for specialized inspections ed to be performed solely by th

(End of Clause)

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FAR Part 52.246-2

Inspection of Supplies -- Fixed-Price (Aug. 1996)

- *Definition*. "Supplies," as used in this clause, includes but is not limited to raw materials, components, intermediate assemblies, end products, and lots of supplies.
- The Contractor shall provide and maintain an inspection system acceptable to the Government
- The Government has the right to inspect and test the contract supplies … … in a manner that will not unduly delay the work
- The Government has the right either to reject or to require correction of nonconforming supplies. The Government may reject nonconforming supplies with or without disposition instructions.

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FAR Part 52.246-4

Inspection of Services -- Fixed-Price (Aug. 1996)

- ***Definition:*** "Services," as used in this clause, includes services performed, workmanship, and material furnished or utilized in the performance of services.

- The Contractor shall provide and maintain an inspection system acceptable to the Government.

- The Government has the right to inspect and test all services…. In a manner that will not unduly delay the work.

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Continued FAR Part 52.246-4

Inspection of Services -- Fixed-Price (Aug. 1996)

- If any of the services do not conform with contract requirements, the Government may require the Contractor to perform the services again in conformity with contract requirements, at no increase in contract amount. When the defects in services cannot be corrected by reperformance, the Government may.

  (a) Require the Contractor to take necessary action to ensure that future performance conforms to contract requirements; and

  (b) Reduce the contract price to reflect the reduced value of the services performed.

- If the Contractor fails to promptly perform the services again or to take the necessary action to ensure future performance in conformity with contract requirements, the Government may --

  (a) By contract or otherwise, perform the services and charge to the Contractor any cost incurred by the Government that is directly related to the performance of such service; or

  (b) Terminate the contract for default

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FAR Part 52.246-5

FAR Part 52.246-5 Inspection of Services -- Cost-Reimbursement (Apr 1984)

- ***Definition.*** **"Services," as used in this clause, includes services performed, workmanship, and material furnished or used in performing services.**

- **The Contractor shall provide and maintain an inspection system acceptable to the Government … … records of all inspection work performed by the Contractor shall be maintained and made available to the Government.**

- **The Government has the right to inspect and te services called for by the contract, to the extent at all places and times during the term of the c Government shall perform inspections and tests i er that will <u>not unduly delay the work</u>.**

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Inspection of Services -- Cost-Reimbursement cont.

(d) If any of the services performed do not conform with contract requirements, the Government may require the Contractor to perform the services again… … … for no additional fee. When the defects in services cannot be corrected by reperformance, the Government may –

- **(1) Require the Contractor to take necessary action to ensure that future performance conforms to contract requirements; and**
- **(2) Reduce any fee payable under the contract to reflect the reduced value of the services performed.**

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FAR 52.246-11
Higher-level Contract Quality Requirements.

(Definition in FAR 46.202- 4)

- Requiring compliance with higher-level quality standards is appropriate in contracts for complex or critical items when the technical requirements of the contract require-

  (1) Control of such things as work operations, in-process controls, and inspection; or

  (2) Attention to such factors as organization, planning, work instructions, documentation control, and advanced metrology.

- The contracting officer shall indicate which higher-level quality standards will satisfy the Government's requirement.

Examples of higher-level quality standards are ISO 9001, 9002, or 9003; ANSI/ASQC Q9001, Q9002, or Q9003;

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What Surveillance Does

- Measures performance against contractual requirements
- Highlights performance trends
- Identifies opportunities for process improvement
- Feeds into process for determination of Award Fee
- Influences contractor's Past Performance Reports
- Reduces risk to Government

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Framework of a Surveillance Program

Performance Work Statement (PWS)

Performance Requirements Summary (PRS)

Quality Assurance Surveillance Plan (QASP)

Surveillance Checklist

Surveillance Schedule

Reporting Results

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PWS

Defines performance requirements – work to be accomplished

- Required Outputs (Critical Tasks)
- Key Performance Indicators (KPIs) or Performance Characteristics
- Acceptance standards
  - In most cases will follow established Army guidance or industry standards.
  - If performance standards for a specific task or function do not exist – the Requiring Activity is responsible to develop and document the standard.

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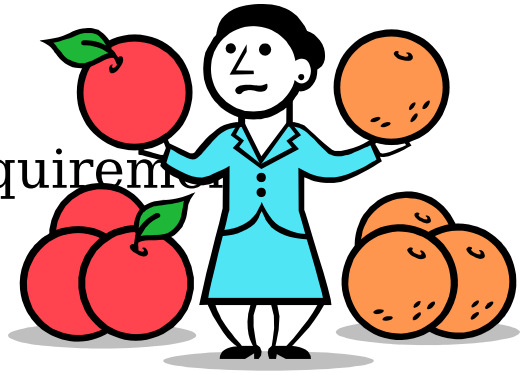
Performance Requirements Summary

SERVICE	PWS PARAGRAPH NUMBER	STANDARD	ACCEPTABLE QUALITY LEVEL	SURVEILLANCE METHOD
REPETITIVE ASSIGNMENTS	C.5.1	Timely (1a) IAW requirements (1b)	95% of Assignments Completed w/in 3 working days;98% of final products are error free	Periodic Inspection-COR will review assigned tasks twice a month
LOGS	C.5.2	Complete (2a) Accurate (2b)	AQL 4.0	Random Sampling COR will utilize Sampling Plan ANSI/ASQ Z1.4 LVLII
MEETINGS	C.5.3	Attendee are prompt & appropriately prepared	98% of verified Comments are positive	Customer Comments
REPORTS	C.5.4	Invoices timely & correct per FAR (4a) SF 1157 timely & accurate (4b) CMR input timely (4c)	AQL 4.0	Random Sampling COR will utilize Sampling Plan ANSI/ASQ Z1.4 LVLII
Graphics/AV Support	C.5.5	Timely (5a) Correct (5b)	95% of products completed w/in 2 working days; 98% of final products are error free	100 % Inspection COR will review each product for completeness, accuracy & timeliness

Quality Assurance Plan (QASP)

A QASP is a Government surveillance plan used to define what the Government will do to ensure that contractor performance meets contract requirements

- Based on contract, but not part of the contract
- Tailored to fit functional area
- Measures performance against requirements
- Updated as requirements change
- Maintains integrity of surveillance process
- Ensures continuity and consistency
- Basis of contract performance reports to the KO



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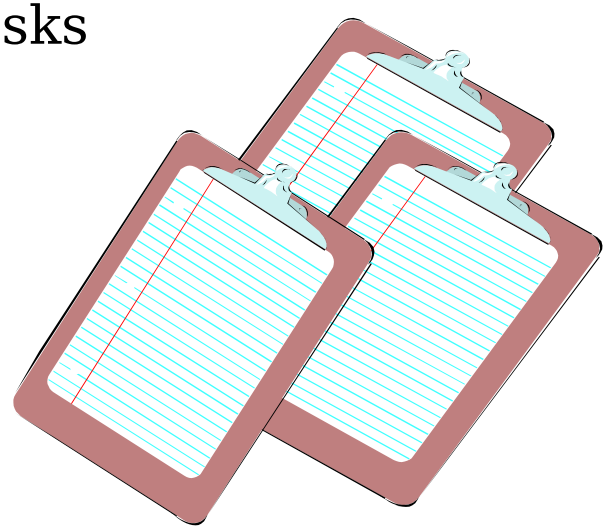
QASP

Contains narrative and checklist that define:

- PWS Requirements /Critical Tasks
- Acceptance Standards
- Evaluation Methods & Process
  (100%, Random Sample, Planned Sample)
- Surveillance Frequency
  (weekly, monthly, quarterly)
- Documented Results
  (Deficiency Reports, Evaluation Reports to KO, etc.)



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QASP

Acceptable surveillance methods include:

100 Percent Inspection: With this method, performance is inspected/evaluated at each occurrence. This method is often costly but can be necessary due to health, safety and other considerations.

Random Sampling: Random sampling works best when the number of instances of the services being performed is very large and a statistically valid sample can be obtained. http://www.sqconline.com/mil-std-105.html (web link to ANSI/ASQZ1.4LVLII)

Periodic Inspection: This method, sometimes called “planned sampling,” consists planned sampling at specific dates or time intervals. It may be appropriate for tasks that occur infrequently, and where 100 percent inspection or random testing is not desired.

Customer Input: Although usually not a primary method, this is a valuable supplement to more systematic methods. For example, in a case where random sampling indicates unsatisfactory service, customer complaints can be used as substantiating evidence. In certain situations where customers can be relied upon to complain consistently when the quality of performance is poor, e.g., dining facilities, building services, customer surveys and customer complaints may be a primary surveillance method, and customer satisfaction an appropriate performance standard.

In all cases, complaints should be documented, preferably on a standard form.

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Surveillance Checklist

Key Points:

<u>Creating the CHECKLIST</u>

- Identify the Contract Number and Section
- Always reference the contract paragraph number from the requirement.
- Include measurable performance standards
- Define importance of evaluation elements (Key Performance Indicators)

<u>Completing the CHECKLIST</u>

- Identify the period of Surveillance
- Be Firm but Fair
- Support evaluation score/rating with solid comments
- Sign and date your completed Checklist

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Surveillance Schedule											
"FOR OFFICIAL USE ONLY" (When Completed)											
1) Contract #:						**2) Contractor:**					
3) Functional Area:						**4) Surveillance Period:**					
5) COR/QAE:											
7) Planned Date for Surveillance	**8.a) PWS# 5.14**	**8.b) PWS# 1.6.8**	**8.c) PWS # 1.6.9.1**	**8.d) PWS # 1.6.10**	**8.e) PWS # 1.6.18**	**8.f) PWS # 5.2**	**8.g) PWS # 5.3**	**8.h) PWS # 5.10**	**8.i) PWS # 1.6.1**	**8.j) PWS # 5.11**	**8.k) PWS # 5.20**
2 May 09			X					X			
6 May 09		X							X		
15 May 09					X	X				X	
19 May 09	X			X							
28 May 09							X				X

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COR Inspection Checklist & Data Report (Firm Fixed Price Contract) Revision Dec 07	Meeting Contract Requirements		
***Contractor*: XXX Co. (Black and Gray Water)**			
Contract Number: XXXXXX-XX-X-1234			
Service Provided: Black and Gray Water Removal			
***COR Name*:**			
***Date*:** For the Month of **February 08**	**YES**	**NO**	
1. Does the Contractor furnishes fully functional suction trucks and maintains them in satisfactory condition.? Satisfactory condition means that the exterior equipment of the truck shall be free of contaminants. PWS 3.1	x		
Comments:			
2. Does the Contractor ensures that all hoses used to pump out tanks will be free of leaks and also are pliable? PWS 3.1.1	x		
Comments:			
3. Does the Contractor ensures that employees properly hang up the hoses after each cleaning to ensure no spillage while driving the vehicle? PWS 3.1.1	x		
Comments:			
4. Does the contractor ensure all spills are cleaned up in a timely matter i.e., within one (1) hour? PWS 3.2	x		
Comments:			
5. Does the Contractor disposes of the Black and Gray Water at only approved Kuwait Government sites? PWS 3.2	x		

Excerpt -Sample only - More elements follow on the complete checklist

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Request for Corrective Action

Verbal

- Document on Checklist as a Deficiency
  - Document on Monthly Report to KO

Written

- Request for Corrective Action
- Letter of Management Concern
- Cure Notice
- Termination

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Written Request for Corrective Action

also called Non-Conformance Reports (NCR) contain:

When -the performance period and what day the non-conformance was noticed.

Where -what area you were in performing surveillance

Who -your name and the name of any contractor individuals who accompanied you during your surveillance, also position or name of individuals involved in non-conforming performance.

What -the contract calls for - specify contract paragraph number, SOP number, Army Regulation, Operators Manual, etc… the performance and the standard required.

What -occurred - describe the performance you observed, include facts comparing the actual performance to what the contract required.

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Corrective Action Request - Categories

Major Non-Conformance:

1) Total absence or lack of implementation of a required system element

2) Repeat deficiencies indicating a Quality System Failure

3) Major non-conformances are indicative of potential:

Mission failure

Safety related problems

Reliability related issues

Quality Control System failure

Minor Non-Conformance:

1) A single minor lapse of discipline or control (non-recurring) requires corrective action but not categorized under a “Major” definition.

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GENERAL INFORMATION

Contract/Modification No: **Contractor:** **Contractor Department:** **Location of Discrepancy:**	**NCR Control No:** **Date Submitted:** **PWS/SOW Paragraph #**
COR Name (print & sign): **Phone:** **Date :**	
RESPONSE DUE: **Contractor Representative Acknowledgment:** (print, sign, & date)	

SECTION II

DESCRIPTION OF NON-CONFORMANCE

TYPE OF NCR:	MAJOR ___ MINOR ___
DESCRIPTION:	

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Contract/Modification No:	NCR Control No:

SECTION III

ROOT CAUSE/CORRECTIVE/PREVENTIVE ACTION

Contractor Root Cause/Corrective/Preventive Action:

Projected Completion/Implementation Date:

Contractor Representative/Date (print & sign)**:**

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Contract/Modification No:	NCR Control No:

SECTION IV
FOLLOW-UP VERIFICATION

NCR Closed: YES ___ NO ___ COR Signature/Date: QAR Signature/Date:
Follow-up Comments:

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COR Reports to KO include

- Completed schedule
- Completed checklist
- Summary Comments (normally Memo format)
- Copies of Non-Conformance Reports

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Conducting Surveillance

- Notify Contractor Lead upon entering area to perform surveillance
- Invite contractor representative to accompany you if they wish
- Document actual performance you observe
- Brief Contractor Lead of surveillance results prior to departing area and provide copy of completed NRC Form

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Scheduled Surveillance

Surveillance actions that have been pre-planned and documented on the monthly Surveillance Schedule.

Unscheduled Surveillance

All other surveillances occurring during a performance period.

- identified in QASP, occurring outside the schedule
- any contract requirement not identified in the QASP

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Objective Evaluation:

- Evaluation of contractor performance based on tangible measurable criteria.
- Reports are written in terms comparing actual performance to required standards.

- Meaningful
  - ✓ relative value
- Measurable
- Quantifiable
  - ✓ time
  - ✓ number
- Qualifiable
  - ✓ how well

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Subjective Evaluation:

- Evaluation of contractor performance based on criteria that is not finitely Performance is described in terms of how well or how poorly the contractor accomplished specific events or actions.
- Results of unscheduled evaluations are also documented as Subjective.
- Includes customer comments – both compliments and complaints.

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Surveillance Input Flow

Objective Input

Subjective Input

PERFORMANCE

RATING

Award Fee $$ Determination

Past Performance History (CPARS)

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Read the Contract

Read the Contract

Read the Contract

Read the Contractor's SOPs, POPs, and Work Instructions, etc.

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Document

Document

Document

Report results of surveillance, good and not so good, to the Contracting Officer.

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Questions ??